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Message Text

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PAGE 01 STATE 063511
ORIGIN EA-12

INFO OCT-01 ISO-00 ONY-00 /013 R

DRAFTED BY: EA/ JABADER
APPROVED BY: EA/ JBADER
DESIRED DIST: EA ONLY
----------099759 141825Z /43
R 130600Z MAR 78
FM SECSTATE WASHDC
INFO AMEMBASSY KUALA LUMPUR 3442/43

C O N F I D E N T I A L STATE 063511

FOR DEP ASST SEC GLEYSTEEN ONLY

C O R R E C T E D C O P Y (CORRECT CLASSIFICATION TO READ
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FOLLOWING REPEAT PEKING 0650 SENT ACTION SECSTATE INFO HONG KONG
MOSCOW NEW DELHI TAIPEI TOKYO HCINCPAC MAR 10.

QUOTE C O N F I D E N T I A L PEKING 0650

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT CH
SUBJ: THE FIFTH NATIONAL PEOPLE'S CONGRESS: IMPLICATIONS FOR
LEADERSHIP STABILITY

1. SUMMARY: THE PRC LEADERSHIP HAS JUST CONCLUDED SEVERAL
WEEKS OF TOP LEVEL LEADERSHIP MEETINGS WHICH ESULTED IN A
RESHUFFLED PRC GOVERNMENT AND OFFICIAL ENDORSEMENT OF
AMBITIOUS ECONOMIC PLANS. DISCORD BETWEEN LEADERSHIP
FACTIONS EVIDENT OVER THE PAST SEVERAL MONTHS WAS SUSPENDED
AND THE NATIONAL PEOPLE'S CONGRESS WAS PROCLAIMED A "CONGRESS
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OF UNITY AND VICTORY". CCP CHAIRMAN HUA KUO-FENG WHO WAS
RE-CONFIRMED AS PREMIER APPEARED TO DOMINATE THE PROCEEDINGS.
POLITBURO MEMBERS AND HUA CHEN HSI-LIEN,
WU TEH, AND LI TEH-SHEN EMERGED LARGELY UNTOUCHED. MOST
OBSERVERS FEEL THAT TENG LOST GROUND SINCE HE WAS NOT NAMED
PREMIER AS MANY CHINESE HAD APPARENTLY EXPECTED EARLIER.
HOWEVER, TENG DID NOT LOSE IN ABSOLUTE TERMS: HE RETAINED

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HIS POSITION AS DE FACTO FIRST VICE PREMIER, SEVERAL TENG-
ASSOCIATES WERE APPOINTED TO KEY POSITIONS IN THE STATE
COUNCIL, NEW POLICIES LOOK TO BE SYNONYMOUS WITH HIS VIEWS,
AND TENG WILL PROBABLY PLAY A MAJOR ROLE IN THE
MODERNIZATION EFFORT.
LEADERSHIP DIFFERENCES WERE PUT ASIDE AND FACTIONAL
INFIGHTING MAY NOT BE READILY APPARENT FOR SEVERAL MONTHS.
AMBITIOUS ECONOMIC PLANS WERE ANNOUNCED AND A CERTAIN AMOUNT
OF CENTRIPETAL FORCE WILL KEEP THE LEADERSHIP TOGETHER
IN THE SHORT RUN. OPEN MANEUVERING WOULD BRING CHARGES
OF "GANG OF FOUR--LIKE" SABOTAGE OF THE MODERNIZATION EFFORT
AND THE SPIRIT OF THE CONGRESS. NEVERTHELESS, MAJOR ISSUES
REMAIN UNRESOLVED AND THE ALMOST TOO PERFUNCTORY HAILING OF
THE CONGRESS HAS LEFT A FEELING OF UNEASE AND UNCERTAINTY
ABOUT THE PROSPECTS FOR MID-TERM LEADERSHIP STABILITY.
END SUMMARY.

2. A SERIES OF RECENTLY CONCLUDED LEADERSHIP MEETINGS--
THE SECOND PLENUM OF THE ELEVENTH CENTRAL COMMITTEE, THE
FIFTH NATIONAL PEOPLE'S CONGRESS, AND THE FIFTH CHINESE
POLITICAL CONSULTATIVE CONFERENCE HAVE ENDORSED THE POST-
MAO RE-ORDERING OF PRC ECONOMIC AND POLITICAL PRIORITIES
WITHOUT SUBSTANTIALLY CHANGING THE LEADERSHIP LINEUP.
LEADERSHIP DIFFERENCES, APPARENT IN A SERIES OF NATIONAL
PRESS ARTICLES IN JANUARY AND FEBRUARY, WERE PUT ASIDE
IN THE PROCLAIMED "SPIRIT OF UNITY" OF THE NATIONAL
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PEOPLE'S CONGRESS. PRC LEADERS CLEARLY MADE AN EFFORT
DURING THE CONGRESS TO DISPLAY HARMONY AND UNDERSCORE
BROAD SUPPORT FOR ECONOMIC PRIORITIES AND CONTINUED
POLITICAL STABILITY. THE CONGRESS APPEARS AS A VIRTUAL
STANDOFF FOR COMPETING INTEREST GROUPS. HUA KUO-FENG
DOMINATED MEDIA COVERAGE OF THE EVENT: HUA WAS SHOWN
SOLEMNLY OVERSEEING THE PROCEEDINGS, HIS VOICE WAS HEARD
DELIVERING THE WORK REPORT ON TELEVISION AND THE NATIONAL
PAPERS PROVIDED DETAILED COVERAGE OF HIS ACTIVITIES THROUGH-
OUT THE EIGHT DAY CONGRESS. VICE PREMIER TENG HSIAO-PING
WHO MANY PEKING OBSERVERS HAD EXPECTED TO PLAY A MAJOR
ROLE AT THE CONGRESS WAS GIVEN LITTLE COVERAGE AND APPEARED
TO HAVE BEEN PUSHED INTO THE BACKGROUND. POLITBURO MEMBERS
AND HUA ASSOCIATES WU TEH, CHEN HSI-LIEN, AND LI TEH-SHENG
EMERGED RELATIVELY UNTOUCHED. EVEN THE EMBATTLED EX-SINKIANG
BOSS SAI FU-TING WAS VISIBLE AS A SIGNAL THAT HUA'S CALL FOR
LENIENCY AGAINST THOSE WHO MAKE MISTAKES IS TO BE TAKEN
SERIOUSLY.

3. A DISCORDANT NOTE WAS CONAINED IN PREMIER HUA KUO-FENG'S
WORK REPORT, HOWEVER, HUA INDICATED THAT THE CAMPAIGN
AGAINST GANG OF FOUR FOLLOWERS, PARTICULARLY AT THE LOCAL

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LEVEL MUST CONTINUE EVEN THOUGH THE INVESTIGATION INTO
THEIR ACTIVITIES IS LARGELY COMPLETE. THIS COULD CONTINUE TO BE
TROUBLE SOME INSOFAR AS LOCAL AND REGIONAL POLITICS INTERACT
WITH LEADERSHIP MANEUVERING.

4. A MAJOR QUESTION IS WHETHER TENG HSIAO-PING'S AMBITIONS
WERE THWARTED. IF SO, HOW? MANY HAD THOUGHT EARLIER
THAT TENG WOULD DOMINATE THE NPC PROCEEDINGS AND POSSIBLY
EVEN EMERGE AS PREMIER. IN THIS SENSE, THE CONGRESS WAS A
SETBACK. HOWEVER, TENG DID NOT LOSE IN ABSOLUTE TERMS:
HE RETAINED HIS POSITION AS DE FACTO FIRST VICE PREMIER,
SEVERAL OF HIS ASSOCIATES WERE APPOINTED TO KEY POSITIONS
IN THE STATE COUNCIL, AND HE WILL PROBABLY EXERT CONSIDERABLE
INFLUENCE AS HE ATTEMPTS TO IMPLEMENT AMBITIOUS ECONOMIC
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PLANS ADOPTED BY THE CONGRESS. THESE PLANS AND MOST OF THE
NEW CONSTITUTION LOOK AS IF THEY MIGHT BE SYNONYMOUS WITH
TENG'S VIEWS.

5. FOR HIS PART, HUA KUO-FENG SUCCEEDED IN PORTRAYING
HIMSELF AS A CHAIRMAN AND PREMIER WHO IS ABOVE FACTIONAL
MANEUVERING. THE MEDIA MADE HIM LOOK LIKE THE INHERITOR
OF THE CHOU EN-LAI LEGACY (THE CONGRESS CONCLUDED ON THE
EIGHTIETH ANNIVERSARY OF CHOU'S BIRTH) AS THE CONCILIATOR
WHO SEEKS THE MOST PRACTICAL COURSE AMONG COMPETING INTEREST
GROUPS.

6. HOWEVER, LEADERSHIP DIFFERENCES WERE PROBABLY ONLY
TEMPORARILY PUT ASIDE EVEN IF FACTIONAL MANEUVERING MAY
NOT BE READILY APPARENT FOR SEVERAL MONTHS. A CERTAIN
DEGREE OF LEADERSHIP CONSENSUS HAD TO BE ACHIEVED BEFORE
THE NPC COULD EVEN BE HELD AND AMBITIOUS ECONOMIC PLANS
AND CENTRIPETAL FORCE WILL PROBABLY KEEP THE LEADERSHIP
TOGETHER IN THE SHORT RUN. OPEN MANEUVERING AND FACTIONAL
SQUABBLING COULD BRING CHARGES OF GANG OF FOUR STYLE
SABOTAGE OF THE "SPIRIT OF THE NPC" AND THE MODERNIZATION
EFFORT. NEVERTHELESS, LEADERSHIP POLITICS IN THE PRC
SINCE THE OCTOBER 1976 PURGE OF THE GANG OF FOUR HAVE BEEN
CHARACTERIZED BY A SERIES OF TEMPORARY COMPROMISES THAT
ARE OBSERVED ONLY AS LONG AS THEY CONTINUE TO BE IN THE
INTEREST OF TENG AND OTHER POLITBURO MEMBERS. WHILE A
MAJOR PURGE OR AN OPEN LEADERSHIP SPLIT SEEMS UNLIKELY IN
THE MID-TERM, UNRESOLVED ISSUES (DEMANDS FOR A MORE THOROUGH
HOUSECLEANING OF ALLEGED "GANG" SUPPORTERS, COMPETITION
OVER SCARCE RESOURCES, THE PRESSURE OF A RAPID MODERNIZATION
EFFORT, AND FRUSTRATED YOUNGER OFFICIALS WHO SEE LITTLE
CHANCE OF ADVANCEMENT IN A SYSTEM DOMINATED BY VETERAN
CADRES) AND A SENSE OF UNEASE AFTER THE ALMOST TOO PERFUNCTORY
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HAILING OF THE NPC RAISE QUESTIONS ABOUT THE PROSPECTS FOR
MEANINGFUL LEADERSHIP STABILITY IN THE LONG RUN. DEAN UNQUOTE VANCE

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, PARTY MEETINGS, PARTY LEADERS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE063511
Document Source: CORE
Document Unique ID: 00
Drafter: EA/ JABADER
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780138-0728, D780111-0209
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780375/aaaacllj.tel
Line Count: 177
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 444474c8-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: UNCLASSIFIED
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3351323
Secure: OPEN
Status: NATIVE
Subject: THE FIFTH NATIONAL PEOPLE\'S CONGRESS: IMPLICATIONS FOR LEADERSHIP STABILITY
TAGS: PINT, CH
To: KUALA LUMPUR
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/444474c8-c288-dd11-92da-001cc4696bcc
Review Markings:
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Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014